



Read this guide for a quick understanding of the new Medicare prescription drug coverage.

THE NEW MEDICARE PRESCRIPTION DRUG COVERAGE



NOW AVAILABLE IN EASY
TO SWALLOW DOSES

AARP is a nonprofit, nonpartisan membership organization for people age 50 and over. And currently nothing is more important for this group than navigating the new Medicare prescription drug coverage (part D). This insert cuts through some of the clutter to give you a quick and easy overview of the program. But we encourage you to learn more. There's a list of good sources on the back page of this insert. AARP also has a free **What You Need to Know About the New Medicare Prescription Drug Coverage** guide available to everybody, member or not.

WHO IS COVERED?

Are you on Medicare? Congratulations, you are eligible for the new drug coverage. And you can't be denied. It's a voluntary program, so if you don't want it, you don't have to enroll.

You may have prescription drug coverage from your insurance plan, a managed care plan, a former employer or a state assistance program. Each of these plans works differently with Medicare. For a copy of our free guide, "What You Need to Know About the New Medicare Prescription Drug Coverage," visit www.aarp.org/medicarerx or call **1-888-OUR-AARP (1-888-687-2277)**. For more general information, visit www.medicare.gov or call 1-800-MEDICARE (1-800-633-4227).

THE IMPORTANT DATES TO REMEMBER

If you are enrolled in Medicare now, you'll need to join a plan between **November 15, 2005**, and **May 15, 2006**. For your coverage to begin **January 1, 2006**, you must sign up by **December 31, 2005**. Enroll between January 1, 2006, and May 15, 2006, and your coverage starts the first day of the month after you sign up. After May 15, 2006, there will be an open enrollment period each November allowing you to enroll or switch plans. You will also be able to enroll in a drug plan at the time you first enroll in Medicare.

IT DOESN'T PAY TO WAIT

There will be a penalty (a higher monthly premium) if you do not enroll when you are first eligible for Medicare or during the initial enrollment period and decide to join later. The longer you wait, the more the penalty. You may already have prescription drug coverage that's as good as the new Medicare coverage. If so, you can sign up for a Medicare drug plan at a later date without penalty. You should be hearing from your current plan soon.

DO YOU NEED MEDICARE PRESCRIPTION DRUG COVERAGE?

Answering this question requires thinking about the future. Even if you don't think you need Medicare prescription coverage now, you might need it later on down the road. The facts are that drug use increases with age, and on average, someone who is 75 years old may expect to spend about 25% more in a year than someone who is 65 years old. And remember, waiting to sign up means you will pay more.

Right now the average person on Medicare spends \$966 of their own money each year on prescription drugs. Beginning January 1, 2006, Medicare's prescription drug program will offer a voluntary way for you to reduce these high costs. The greatest benefit for signing up now is gaining peace of mind for things that may happen later.

WHICH PLAN WILL YOU CHOOSE?

This is an important question you'll want to put some care and time into answering. You will have many choices. All the plans are private. And while they must meet basic Medicare guidelines and be Medicare-approved, each will be slightly different — from the drugs they cover to how they structure your costs and where you can get your drugs. Companies will begin selling and marketing their plans on October 1, 2005. Take a good look at these offers and see how they compare.

WILL YOU GET A DISCOUNT ON YOUR PRESCRIPTIONS?

Each plan will negotiate lower prices with drug companies on your behalf. When you pay for drugs within the plan, you have access to discounted drugs. But not every drug will be available on every plan. Each plan will have its own list of discounted drugs (formulary). And the lists will differ from plan to plan.



CRUNCHING THE NUMBERS

Will you save money on this plan? Millions will. Here are the basics on how the numbers work. When you join a plan, you'll pay a monthly premium, a co-pay for prescriptions and have to meet an annual deductible. Remember, plans will vary. After you've met your annual deductible, the plan begins to pay some of your prescription drug costs.

Starting in October, programs in your area will distribute information on costs, covered drugs and network pharmacies. You can also find this information by visiting www.medicare.gov or calling 1-800-MEDICARE (1-800-633-4227).

Individuals with limited income can get extra help to pay premiums and co-pays. In June the Social Security Administration (SSA) mailed applications to those who may qualify. If you did not receive this and feel you may be eligible, contact your local SSA at 1-800-772-1213.

Let this be the beginning of your education on the ins and outs of the new Medicare prescription drug coverage. For our free educational guide,

visit www.aarp.org/medicarerx or call **1-888-OUR-AARP** (1-888-687-2277).

OTHER RESOURCES

Medicare

www.medicare.gov

(800) MEDICARE (1-800-633-4227) or TTY (877) 486-2048

Social Security Administration

www.socialsecurity.gov or (800) 772-1213 or TTY (800) 325-0778

Senior Health Insurance Assistance Program (SHIP)

www.shiptalk.org to find your state's toll-free number